

PUBLIC RELATIONS JOURNAL

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How Now, IR?

Coping with the topsy-turvy world of post-crash investor relations

Videoconferencing Comes Down To Earth

PUBLIC RELATIONS JOURNAL

April 1989 Vol. 45 No. 4

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BRIEFINGS

Restructuring: Good and bad news for employee communications

Value, responsibilities of role are increasing, but resources are fixed, new survey reveals

Competitive pressures and corporate restructuring are rapidly expanding the roles of employee communications executives in implementing corporate objectives, according to a comprehensive study recently released by the Conference Board.

This greater responsibility and enhanced status, however, has brought with it pressure to accomplish more with the same—or fewer—resources.

Corporate communicators now say that their top four employee relations responsibilities are improving morale, informing employees about internal changes and new strategies, explaining benefit plans, and helping to make employees more productive and quality-conscious.

"Nowhere is the impact of restructuring more evident than in the rising responsibility of corporate communications units," comments Kathryn Troy, author of the study, which surveyed communications executives at 281 leading U.S. businesses. "Increasingly, employees are demanding better information about their firm's performance and future direction. Virtually all those surveyed see these trends intensifying during the 1990's."

Doing more with less

Since 1984, more than two-thirds of the organizations of those surveyed have undergone major restructurings. Almost half have had substantial staff reductions, and about 45 percent have been involved in merger and acquisition activities. Sixty percent of the respondents from manufacturing firms and 45 percent from service companies say their employee communi-

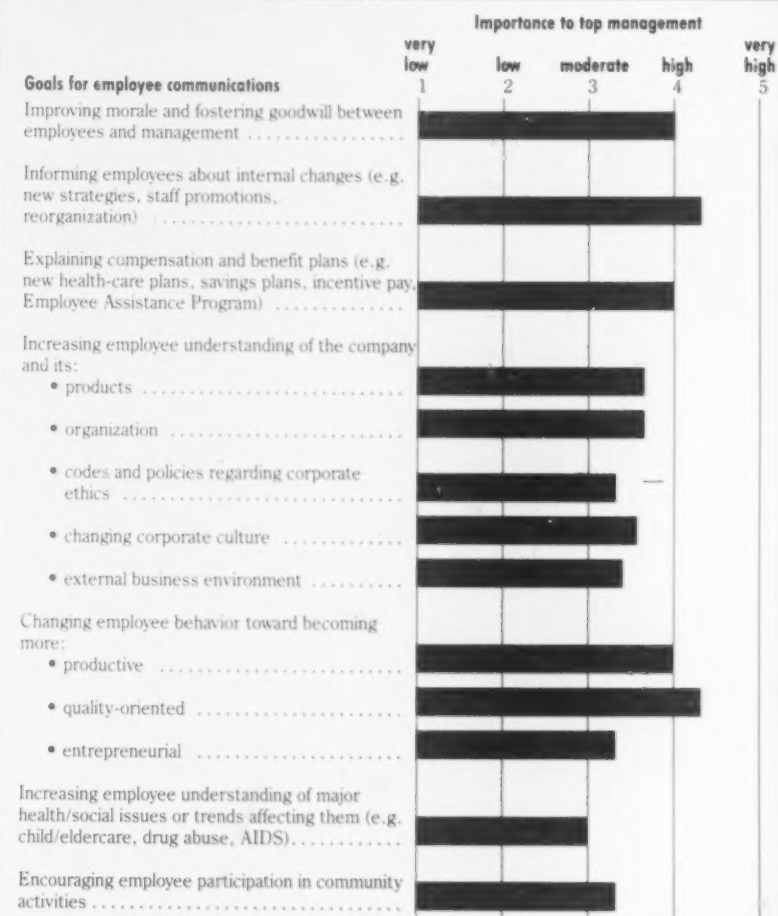
cations missions have changed significantly in the past five years.

The result, according to corporate communicators, is that they are under increasing pressure to "do more with less."

Currently, the median staff size of those surveyed is three full-time professionals and one part-time professional. Almost three-quarters of respondents report that

Continued on page 10

Employee communicators assess top management's priorities



Communicators continue to be responsible for boosting employee morale and enhancing management credibility. But management's top priorities, according to communicators, are explaining changes in the company and fostering quality.

BRIEFINGS

Employee Communications

Continued from page 6

their staff size has remained the same or decreased. Almost 60 percent of respondents' departments are hiring freelancers to help them shoulder the increased workload. Nearly a quarter of respondents who have not used outside help expect to do so in the near future.

The specific projects now being handled by these executives include: an annual plan for employee communications (75 percent say they prepare one), which often becomes part of the corporate plan; communications audits (almost half report doing one recently); and employee surveys of the effectiveness of communication programs (60 percent conduct these).

New messages, media

Print is still dominant, when it comes to the medium chosen to convey management's messages to employees, the survey indicates. More than 90 percent of respondents are responsible for at least one periodical that goes to all employees. Half of respondents publish magazines for this purpose; newspapers and newsletters are each published by 40 percent. The median number of magazines published annually is five; newsletters and newspapers are published monthly. One-third of respondents put out a publication

for one or more special employee groups.

The nature of these publications is definitely changing rapidly, however. "Communicators are now being asked to present serious business messages in employee publications," reports Troy. "Such tried-and-true staples as brides, babies and bowling scores are being replaced with talk of products, business strategies and competitive threat."

"Increasingly, employee publications focus on products, strategies and competitive threat"

Companies are also using an increasing array of media to deliver their messages. Audiovisual media such as films, videos and slideshows are used by virtually all respondents, although they are still considered complementary to print. Newer technologies, such as desktop publishing and electronic messaging, are now used by one-third of communications executives surveyed.

There is also a strong trend toward

holding more face-to-face meetings between managers and employees. Seventy-five percent of respondents say their companies conduct such meetings, and 70 percent say the number of these meetings has increased recently.

Who responded?

Questionnaires were mailed to 1,020 corporations, including the 500 largest manufacturers and 500 largest service companies included in the Fortune 500 1986 listing.

Three quarters of responding companies are of a financial size of more than \$1 billion; about 10 percent have less than \$500 million in sales or assets. Fifty-five percent of respondents employ more than 10,000 people, while about 20 percent have fewer than 3,000 employees.

Among the executives responding, 30 percent have a title of vice president or above, 37 percent hold the title of assistant vice president or director, and 30 percent are managers or supervisors. Two-thirds of the executives are in communications or a function with a similar designation. Another 30 percent are evenly distributed between public relations and the public (or corporate) affairs function. The human resources area accounts for about 5 percent, with the remainder distributed among a range of other functions. □

Selecting media to meet key communications goals

Goals	mgmt. letters/bulletins	brochures/manuals	newsletters/mags.	bulletin bd. postings	payroll inserts	AVI video prod.	electronic messaging	meetings
Improving employee morale/fostering goodwill between employees, management	68%	29%	90%	46%	11%	64%	15%	75%
Informing employees about internal changes	88	15	86	53	5	37	18	62
Increasing employee understanding of the company and its:								
• products	30	45	83	16	1	50	9	39
• organization	68	24	84	32	1	35	11	44
• codes and policies regarding corporate ethics	61	53	51	13	3	22	4	37
• changing corporate culture	45	19	76	9	2	42	6	50
• external business environment (e.g. competition, regulation)	48	10	81	10	7	30	6	47
Changing employee behavior toward becoming more:								
• productive	53	19	84	25	3	52	5	66
• quality-oriented	52	28	85	24	2	49	6	68
• entrepreneurial	28	7	54	8	1	26	3	45
Explaining compensation and benefits	66	85	72	39	32	49	6	70
Increasing employee understanding of major health or social issues or trends that affect them	36	34	76	22	8	25	2	44
Encouraging employee participation in community activities	41	16	74	26	3	22	2	27

Source: The Conference Board

The consensus among employee communications executives surveyed appears to be that AV is a complement to print communiques. Print is viewed as being best for delivering detailed information.